G.I. Guide

SECRET

097.3
Z1092
No. 1777

DEPARTMENT OF STATE
REFERENCE DIVISION
FILE COPY
PLEASE RETURN
REF

OFFICE OF STRATEGIC SERVICES

Research and Analysis Branch

R & A No. 1777

UNITED NATIONS MILITARY GOVERNMENT FOR RUMANIA

Description

A preliminary examination of the chief problems likely to arise for AMG in Rumania.

25 February 1944

BA

SECRET

Copy no. 106

TABLE OF CONTENTS

	Page
Summary	iv
Preface	vi
I. Introductory: The Present Political Situation	
A. The Present Regime and Its Potential Collaborators with AMG	1
B. The United Opposition and Its Potential Collaborators with AMG	3
C. The Morale of the People	5
II. Before AMG: A German and a Soviet Occupation ?	
A. German Occupation	6
B. Russian Occupation	7
III. Problems Which Will Confront AMG	
A. Preliminary Statement: The nature of the War between Rumania and Western Allies; Rumanian anti-Russian feeling.	8
B. Territorial Problems: Transylvania	10
C. Domestic Political Problems	
1) Modification of Totalitarian Government	13
2) A Provisional Central Government	15
3) Local Authority	17
4) Political Rivalry	18

(continued)

TABLE OF CONTENTS (continued)

	Page
D. Social Problems	
1) Minority Nationalities	20
a) Germans	20
b) Hungarians	22
c) Jews	22
2) Refugees	24
3) Disabled Veterans, War Widows and Orphans	24
4) Public Health	25
E. Economic Problems	
1) General Situation	25
2) Industries	26
a) Re-establishment of ownership	26
b) Oil Refining	27
c) General Production Control	28
3) Agriculture	28

SUMMARY

AMG in Rumania involves major international problems, which will probably necessitate early preliminary discussions between the U.S., Britain, and the USSR.

The present authoritarian regime in Rumania includes several ambitious politicians who would collaborate with AMG, but whose use would be widely unpopular. The United Opposition of non-fascist parties led by Maniu, on the other hand, includes some popular and politically useful men. The Rumanian population, despite casualties, has so far been spared the worst ravages of war.

Both a German and thereafter a Russian occupation may be expected before AMG arrives in Rumania. Because the Germans are likely to eliminate all pro-Allied figures, serious attention should probably be given to the problem of getting Maniu and his nearest advisors out of the country before the Germans move in. The Soviet occupation will find a hostile population, and will have to be based on force; so that it will probably produce a situation of unpredictable difficulty for AMG.

AMG will be faced by almost universal anti-Russian sentiment. Rumanians of all political opinions will try to stir up trouble between the Allies and Russia. This is likely to present a serious difficulty. The administration of Transylvania, disputed between Hungary and Rumania, will provide another serious problem. It is believed that a separate Transylvanian administration, distinct from both Hungarian and Rumanian AMG might prove the best solution. In the political sphere it will be necessary to consider the repeal of authoritarian legislation, the

question whether or not to establish a temporary central Rumanian authority, and the establishment of local authority. Abolition of fascist parties and preparation for the emergence of new political groups will presumably prove necessary.

Social problems will include the protection of the German and Hungarian minorities, against whom the Rumanian population may be aroused; and the restoration of the legal rights of the Jews. Problems affecting war veterans, widows, and orphans, and public health will also arise.

The oil fields, the forests and mines of Transylvania, and the devaluation of currency will all present economic questions. Reestablishment of foreign ownership in the oil region, reconstruction of the refineries, which will presumably be destroyed, or the arrangement of facilities to ship crude oil outside the country, and reorganization of control of production in all industries will almost certainly be necessary. Agricultural problems will be centered upon increasing the supply of modern equipment and overcoming peasant reluctance to fall in with new methods in production, in marketing, and in price control.

PREFACE

Allied Military Government of Rumania involves far more than domestic Rumanian political and economic problems. It involves also the relations between the three major Allies. Since Rumania lies immediately on the Russian frontier, all developments there are naturally of most pressing concern to Russia. It is clear that detailed international arrangements will have to be made in advance of AMG, providing at least for a conduct of Rumanian affairs acceptable to the USSR, and perhaps for the establishment, before AMG's withdrawal, of a Rumanian Government satisfactory to all three major powers.

With these considerations in mind, the major powers might proceed at an early date to discuss such practical measures as the following:

(1) The establishment of an Advisory Council for Rumania, with American, British, and Russian members.

(2) An agreement providing for Russian advisers to aid the local AMG administrators in Rumania.

(3) An agreement as to the political qualifications necessary for Rumanians admitted to official service during the tenure of AMG.

(4) An agreement as to the qualifications of voters, and the electoral procedure to be followed, in constituting the government to which AMG will eventually surrender the country.

UNITED NATIONS MILITARY GOVERNMENT FOR RUMANIA

I. INTRODUCTORY: THE PRESENT POLITICAL SITUATION

A. The Present Regime and Its Potential Collaborators with AMG

When Ion Antonescu became Premier and Conducator (Fuehrer) of Rumania in September 1940, he instituted a military dictatorship with the support of the Iron Guard, a pro-Nazi and nationalistic movement with a rich record of political violence. After a revolt toward the end of 1940, the Iron Guard was suppressed and the government reorganized. As commander-in-chief of the army which recovered the lost provinces from Soviet rule during the summer of 1941, Antonescu achieved for a brief period some degree of popularity as a national hero. This popularity, however, has been nullified by the heavy casualties suffered in Russia (250,000), in a campaign widely regarded as having been forced upon the Rumanian Government by the Germans.

The basic features of the present regime may be summarized as follows:

1. Prohibition of all political activity.

2. Strict regulation of economic life through industrial and commercial syndicates, rationing of raw materials, and price and wage control.

3. Submission to German control of the oil industry and, to a lesser extent, of transportation facilities.

4. "Coordination" of all phases of cultural life, as in Nazi Germany.

5. Extension of special privileges to the German minority organized as a Volksgruppe, or branch of the National Socialist Party.

6. Systematic elimination of Jews from business and professional life, accompanied by various other oppressive measures.

It is generally agreed that the Antonescu cabinet cannot survive a German defeat. The only man in this government who cherishes hopes of weathering the impending catastrophe is the Vice-Premier and Foreign Minister, Mihai Antonescu (not a relative of the Premier), who would like to become Rumania's Badoglio. If either Ion or Mihai Antonescu should be recognized by AMG as head of a government, the people would conclude that the new regime would be a mere continuation of the old. AMG would find itself in the position of bolstering a military dictatorship which owes its establishment to the imposition of German control in 1940. King Michael himself, on the other hand, is reliably reported to be an unwilling victim of the present situation, and is not associated by the people with the Germans. He is said to retain his popularity, and it is possible that he could be used without arousing discontent. Both the King and Mihai Antonescu have made peace overtures to the British and Americans. AMG is, however, not limited in its choice of potential collaborators to men now collaborating with the Germans.

B. The United Opposition and Its Potential Collaborators with AMG

The two major non-fascist political parties, the Liberals and the National Peasants, have always favored a foreign policy following the lead of France and Great Britain. Neither party has been able to operate openly since 1938, but their leaders have for a number of reasons been spared by the Antonescu regime. Both opposition parties endorsed the war against the Soviet Union in the summer of 1941, and both share fully the government's hope of recovering northern Transylvania from Hungary. They have been inhibited, moreover, from organizing an underground movement as much by fear of a Russian victory as by their dread of drastic German measures taken in reprisal for sabotage.

Nevertheless, Iuliu Maniu, popular head of the Peasant party, and Constantin I. Bratianu, Liberal leader, have joined to form a United Opposition, which is prepared to oust Antonescu and to rally the nation in support of the Anglo-American cause. As a substitute for an underground press, Maniu and Bratianu have been issuing memoranda and messages which are sent to the Premier and then circulated in trustworthy circles. These communications emphasize the economic exploitation of Rumania by the Germans, and protest repeatedly against the sacrifice of the Rumanian army on the Eastern front. Maniu has, moreover, sent several secret messages to British and American representatives in the hope of reaching some understanding whereby he would be helped to replace the present regime by one of his own which would collaborate with the western Allies.

Should Rumania surrender to all three major Allies simultaneously, on the basis of an understanding reached by all parties concerned, an occupation by an Anglo-American force will probably be accepted without serious resistance. It is reliably reported that the United Opposition enjoys the support of King Michael, as well of certain leading generals, who would take the first opportunity to surrender to the British or Americans. In November 1943, an official American message was sent to our Minister at Stockholm for transmission to the Rumanians stating that we considered it advisable for the Rumanians to surrender immediately, even if this step should be followed by complete German occupation. This advice has thus far gone unheeded.

It must be stressed that the United Opposition is a nationalistic as well as an anti-German movement. Maniu and a number of his associates are veterans of the struggle which culminated in 1919 in the union of Transylvania with Old Rumania. With them the battle-cry of Greater Rumania is a much more potent slogan than any associated with democracy. It remains to be seen whether Maniu's prestige would survive a cession of Bessarabia to Russia and an acceptance of the Prut River as the eastern frontier; but it is certain that he would endorse a war against Hungary for Transylvania. All except the small pro-German element feel that they ought not to be penalized for Antonescu's policy, and that Rumania's contribution to the war since the summer of 1941 has been extorted from it by force majeure. The Rumanians will, therefore, expect the kind of sympathetic treatment which the Allies will presumably accord to German-occupied states such as Czechoslovakia, rather than

the punishment to be meted out to defeated enemies. They may need to be disabused of this notion.

C. The Morale of the People.

Although actively involved in the war throughout the past 30 months, the Rumanian civil population has thus far been spared its worst effects. Shortages of various essential commodities, particularly leather and rubber, exist; but the supply of food and fuel has been adequate. The population has submitted to the difficulties caused by inflation, and to the heavy loss of life suffered far to the east of the Dniester, without demanding a change of policy or evincing a decisive lack of confidence in the regime. Some have profited by receiving the farms made available by the removal of 130,000 Germans from the eastern provinces, while others have benefited by the regime's expropriation of Jewish-owned property, or by the jobs from which Jews have been ousted.

While the general apathy prevailing in Rumania may seem surprising in view of the strong anti-German feeling, the country's dilemma precludes any revolt against the present order. Arrival of Anglo-American forces in time to make it unnecessary for the Red Army to penetrate beyond the Prut River is apparently the only development which might be expected to stimulate such an uprising. Such an eventuality now seems improbable, however; and, in any case, by then the population will have had to cope with a German army of occupation.

II. BEFORE AMG: A GERMAN AND A SOVIET OCCUPATION

A. German Occupation

In the near future it seems safe to expect that the Red Army will take possession of the provinces annexed by the Soviet Union in July 1940; viz., Bessarabia and northern Bucovina. If the western Allies are not within striking distance of southern or western Rumania as the Soviets advance from the Dniester to the Prut River, it is probable that the Germans will occupy the remainder of the country. During this period the defenses of the Danube, the roads and the rail lines will undoubtedly be taken over by the Germans, just as the oil fields have been since 1940. German troops will be quartered in various parts of the country, and the leniency hitherto enjoyed by anti-German personalities will be terminated.

The Gestapo may be expected to round up Maniu, Bratianu, and many others who could be helpful to AMG, which would later be faced with a very serious deficiency of reliable personnel qualified to fill the most important posts. If, in addition, King Michael is disposed of, AMG will have to get along without that symbolic support. It is known that Hitler has a personal dislike for King Michael, and has advised Antonescu to get rid of him, in order to prevent Michael from imitating Victor Emmanuel. It seems probable, therefore, that this complete German occupation would involve the removal of the King.

Under the circumstances, it would seem advisable for the Allies to take the necessary steps, in advance of such a German occupation (whether precipitated by Antonescu's surrender, or merely by

military necessity) to get King Michael, Maniu, Bratianu, and a number of their more experienced and popular followers out of the country -- but only if Russia approves in advance. Whether or not this group should then be set up as a Government in Exile, which the Allies would return to positions of authority upon the reoccupation of Rumania, would depend upon Russian approval of such a plan. At any rate, these anti-German Rumanians could direct pro-Allied operations from abroad, and would prove almost indispensable to AMG once it is established. It would be compartively easy to arrange from Istanbul the evacuation of these key figures.

B. Russian Occupation

If the German army occupies Rumania, it will then become the task of the Red Army to invade Old Rumania and to assume temporary responsibility for the administration of the regions evacuated by the retreating Germans. During this campaign the Rumanian army may be expected to fight on the side of the Germans so long as there is any hope of defending Rumanian soil. Officials of the present Rumanian government will undoubtedly flee before the Red Army.

It is of course not impossible that British or American forces will reach the Danube about the time the Eastern front is pushed to the Prut. In that event one may count on a Rumanian surrender. This would produce a situation comparable to that in Italy. The balance of probabilities, however, so far as the present situation can be evaluated, seems to favor a previous Soviet occupation, whose nature and

duration it is difficult to predict. This will accentuate the problems for AMG, for whose successful operation a complete Soviet withdrawal would seem essential.

The Soviet occupation would naturally have to rely on force to an even greater extent than the Antonescu regime. The Soviet military authorities would presumably find themselves in a war-ridden area, with most of the vital activities disorganized. They would be confronted by a sullen population. It is doubtful whether the Soviets would take the trouble to organize either a full-blown Communist or a "popular front" government, for there seems to be in Rumania no genuine political basis for either of these forms, but there would be no dearth of personnel (including "Moldavians" from the Russian side of the Dniester) to fill the various administrative posts. Under such circumstances it is possible that many Rumanians may be sent to jail as political prisoners; and the rule of force may produce various other unpredictable evils for AMG to undo.

III. PROBLEMS WHICH WILL CONFRONT AMG

A. Preliminary Statement: The nature of the war between Rumania and the Western Allies; Rumanian anti-Russian Feeling.

When in December 1941 the Rumanian government declared war on the U.S. and Great Britain, no formal notice was taken of the action. Both Allies recognized that Premier Antonescu was acting under duress. By that date, however, Rumania had for six months been actively collaborating in the hostilities against the USSR, initiated by Germany

in June, 1941; and Antonescu had declined to follow the advice of the American and British governments, which had warned him not to send his army across the Dniester River boundary. The subservience of the Rumanian regime to the Germans and the continued occupation of Soviet territory by Rumanian troops finally impelled the U.S. and Great Britain to declare war, 5 June 1942.

While more than symbolic, the state of war between Rumania and the Western Allies has not to any extent involved the forces of these countries in actual warfare. The relations between them were not affected by the large-scale American bombing raid of 1 August 1943 on Ploesti. Inasmuch as the air force confined its work to targets in the oil region, and chose a Sunday for its raid, thereby sparing the lives of thousands of workers, the Rumanians realized that the American bombers were attacking only the Germans' fuel supply. This was later shown by the favorable treatment given to the men who were grounded during the raid, and who, despite German pressure, are still in Rumanian custody.

The secret efforts made by King Michael and by Vice-Premier and Foreign Minister Mihai Antonescu to arrange for a surrender to the Western Allies were made possible only by the speed of the Russian advance, the growing conviction of German defeat, and the universal Rumanian preference for the Western Allies as against the USSR. For some time, no Rumanian politician, whether in the Government or the Opposition, was able to convince himself that the alliance between the Western Allies and Russia would hold firm. The Moscow and Teheran

conferences have forced them reluctantly and temporarily to abandon this hope; but it is sure to revive as soon as peace comes.

There can be no doubt that all but a very small part of the Rumanian population would peacefully submit to AMG. High army officers, qualified civilian specialists, and politicians will undoubtedly cooperate with the American authorities. The strong anti-Soviet sentiments of all of these men will, however, lead them to bid for American sympathy, and particularly for support in their efforts to restore the boundaries of Greater Rumania. They will hope for a new war, between the Soviets and the Western Allies, arising out of a post-war struggle for the domination of the Continent, and will do what they can to foment such a war, playing upon all the existing Allied suspicions of Russia, of whose strength they are entirely aware. This anti-Russian sentiment, almost universal even among strongly pro-democratic Rumanians, will provide AMG with one of its most constant and troublesome problems.

B. Territorial Problems: Transylvania

In July-September 1940 Rumania, which had since 1919 ranked as the largest among the southeast European states, saw itself stripped of over a fifth of its area, comprising about a third of its total population. Of the four pieces of territory which Rumania was forced to cede in 1940, three may be considered permanently lost. Southern Dobrudja, annexed by Bulgaria, will not be a cause for friction so long as friendly relations prevail between the two states. Bessarabia

and northern Bucovina are to be re-annexed by the USSR; this will have to be accepted as a fait accompli by any Rumanian government cooperating with AMG. There remains the thorny question of Transylvania, concerning which Rumanians and Hungarians alike are altogether intransigent.

In an effort to secure the collaboration of Hungary with the Axis, the Vienna Award of 31 August 1940, sponsored by the Germans and Italians, assigned the northern half of Transylvania to Hungary. This artificial dividing line has no geographic or ethnic justification, and only the restraining hand of Berlin has kept the Rumanian and Hungarian armies from starting a war for the disputed territory. While it is presumably not within the province of AMG to settle boundary disputes, some decision will have to be made as to the limits of the territories to be administered from Bucharest and Budapest, respectively. If the present line, drawn by Hitler, were to be accepted even for the temporary period of AMG, and even on the basis of military expediency, Allied prestige and moral position would unquestionably suffer a serious blow. The population might be expected to adopt a cynical attitude toward Allied protestations of their intentions to right the wrong done by the Germans. Neither side would be satisfied, and the threat of hostilities would be ever present. Even the alleged reason of military expedience would disappear under these circumstances, for if such hostilities should break out, the re-establishment of order might prove difficult, and the maintenance of impartiality impossible.

If the present dividing line is invalidated, AMG will have to choose between (a) re-establishing the pre-war Hungarian-Rumanian frontiers, and (b) administering Transylvania as a separate territory. The pre-war frontiers, created in 1919, when Rumania was a victorious ally and it was felt necessary to break up the Hapsburg Empire in so far as possible, undoubtedly were unfair to the Hungarians. For AMG to return to them would mean to show great favoritism as between defeated enemies. Moreover, perhaps the chief underlying cause of the past difficulties in the area has been over-centralization of authority in Budapest and Bucharest. From each capital the authorities persecuted those residents of Transylvania who belonged to the other nationality. In Transylvania itself, there is every reason to believe, Rumanians and Hungarians could get along well if the grip of the capitals were broken, and local autonomy restored.

For AMG as an impartial authority, there seems no better solution than to administer Transylvania as a separate territory. A chorus of objections from both sides will undoubtedly greet this measure, even when its provisional character has been made clear, but AMG can take the position that its program is governed by the interests of the Transylvanian population as a whole as against the irreconcilable demands of Hungary and Rumania. The interests of the province can best be served by excluding the influence of Hungarian and Rumanian carpet-baggers, and by giving the resident Rumanian and Hungarian population free access to both Hungary and Old Rumania for purposes of trade and

of the various personal and cultural errands on which they may wish to go. With American civil affairs authorities installed in all three territories, a working arrangement will surely be feasible.

Although Transylvania has not enjoyed any degree of genuine self-government under Greater Rumania, it was previously administered as a separate unit to some extent. The historic capital of Transylvania is Cluj (Kolozsvar Klausenburg) with some 100,000 inhabitants, which is well located for AMG purposes. With regard to the appointment of officials and clerks, it will be found that in Cluj and other Transylvanian towns the available persons are chiefly Hungarian, if not German or Jewish, while in rural areas the Rumanians are much more numerous. A system of quotas might serve to keep a balance where fair-sized groups are involved (in the police force and railroad personnel, for example), but any such arrangement will probably have to be adjusted repeatedly. Since problems involving police, educational, and religious matters will inevitably arise for any occupying force, AMG administration in Transylvania will have to be considered in detail elsewhere.

C. Domestic Political Problems in Rumania

1. Modification of totalitarian government.

Rumanians value independence in a nationalistic rather than a democratic sense. The concept of a government for the people lies outside their national experience. The present generation is familiar with the external forms of constitutional monarchy, with the election

of members of parliament, of mayors and town councils, from slates presented by rival parties, yet it has scarcely ever participated in a genuinely free election or had a government free from corruption. The Rumanian masses quite naturally view government as an instrument of oppression, and it is a rare official who will not abuse his authority.

AMG may well be viewed as simply another in the succession of oppressive regimes. To avoid this and to render its own popularity secure, it can, however, promptly take certain steps to remove the worst features of past authoritarianism. These are: (a) Abolition of the "state of siege" declared by the Liberal government long before Rumania was threatened from the outside. (b) Removal of the regimentation enforced during the war, involving compulsory labor for men and women, labor books for employees in private industry (decree published 5 July 1943), and the multitude of local restrictions. None of these can be permitted to remain in force without the risk of losing general good will. (c) Provision of machinery for dealing with charges against officials, and for the protection of complainants from persecution.

The above suggestions probably represent a minimum program. In fact, the dictatorial regime is somewhat older than the incumbency of Premier Antonescu, and it might therefore seem advisable to make a clean sweep of all decrees and local regulations promulgated since 20 December 1937, the date on which the last election was held in

Rumania. Thereafter ex-King Carol and the successive premiers dropped all pretense of democracy, and ruled by decree. The abrogation of this body of decrees and regulations will remove the legal basis of whatever remnants of the fascist system may survive the downfall of Antonescu. Among the specific changes which will automatically follow such a step, the most important are the following:

(a) The foundations of future political freedom will be laid.

(b) Capital punishment will be abolished.

(c) Workers in private industry will be far less restricted.

(d) Business enterprises will regain their former rights.

(e) The German minority will be deprived of its privileged status.

(f) The Jewish population will regain legal equality.

2. Provisional Central Government.

It is possible that AMG will bring with it some form of Government in Exile under Maniu. It is possible that the previous Soviet occupation may have brought to the surface, by the time AMG arrives, persons capable of taking all or part of the job of administering a Central Government in collaboration with AMG, and that AMG may wish to make use of them. It is possible that AMG will not wish to make use of any Rumanian Central Government at all. All these matters will depend on circumstances which can scarcely be foreseen. If AMG should wish it, however, it is not unlikely that it can name a Premier and Ministers.

In that case it will be well to find some means of gauging the reaction of public opinion to the provisional appointees. If any ministerial appointments at all are made, it will be essential to assign the following portfolios: Interior, Public Works and Communications, Labor, Health and Social Welfare, Finance, Education and Religion, Agriculture and Public Domains, Economics. Whether a Foreign Minister or a War Minister should be appointed will naturally depend on AMG policy. The suggested cabinet will of course not include such recent innovations as an undersecretary for "Romanizing" property formerly owned by members of minority nationalities, for war production or for propaganda. The powers of the individual ministers are defined in the constitution of 1923 and in various decree-laws promulgated between that date and the end of December, 1937.

In arriving at a decision on this difficult matter, AMG will surely not ignore the fact that, after Military Occupation is over, a native Rumanian Cabinet which has collaborated with the Allies, may easily come to be unpopular in so nationalist a country as Rumania. Thus colorless personalities without political ambitions, but with technical competence should probably be used, and political figures like Maniu, who promise to be popular in future independent and democratic Rumania, avoided, so that their long-run usefulness may not be impaired.

3. Local Authority.

Since 1938 there has not been a single elected official in the local government. Moreover, even under the pre-war system (decree-laws dated 13 August 1938 and 14 November 1939), the Minister of the Interior and his appointees dominated the administration of local and county as well as nationwide governmental functions. One of the prime motives behind this centralization was the nationalistic policy of the Liberal government, which was determined to exercise undisputed control over the provinces annexed after the first World War, in which the non-Rumanian population constituted a rather more advanced element than their Rumanian neighbors. It will be the task of AMG to revive the organs of local self-government and to modify the central government's powers accordingly.

For guidance in breaking away from the dictatorial control of local government, AMG might consider the 1928 reform introduced by Maniu's cabinet but never given a genuine trial because of the change in government in 1930. In addition to providing for the election of mayors and town councils, that system did away with the prefects appointed over each county (judetz) by the Minister of Interior and curbed the power of the police and gendarmerie (i.e., rural police), both organized on a national basis. On the whole it may be expected that the need to resort to force and penalties will diminish in direct ratio to the latitude allowed to properly constituted agencies of local self-government.

4. Political Rivalry.

The restoration of the right of political parties to compete for power is almost certain to revive the major evils of the pre-war period and to bring to a head a number of war-time complications. The right-wing extremists, -- the Iron Guard and the National Christians -- presumably cannot be tolerated by AMG. However, the policy enforced against the fascisti in Italy probably cannot be adopted towards the Rumanian fascist parties without modification. Although many individuals formerly identified with these parties hold office under Antonescu, the Iron Guard is his sworn enemy and the National Christians have shared in the general ban since 1938. It appears likely that the situation will call for a policy which would prohibit political activities, not merely by Antonescu's henchmen and other avowed opponents of democracy but by all organizations advocating violence as a means of realizing their aims, and affecting military dress or formations. It is not anticipated that a fascist program will appeal to any considerable minority of the population, but with the aid of their rabidly patriotic slogans the extreme right-wing elements, if tolerated, are capable of causing a great deal of harm.

The mutual cooperation of the two major non-fascist parties, the National Peasants and the Liberals, is a wartime expedient which will probably not outlast the expulsion of the Germans. While professing democratic principles, the Liberal party abused its control of the state prior to 1938 for self-enrichment, as well as for the benefit of the industrial and commercial interests which it represented. The

tradition of corrupt government in Rumania is essentially a Liberal party contribution. The election of December 1937, which, although "supervised" by a Liberal government, gave that party only 36 percent of the votes, may still be safely interpreted as the country's repudiation of the Liberals. AMG will not incur unpopularity if it avoids the use of Liberal politicians.

The Peasant party has the virtue of having opposed the selfish and reactionary regime of the Liberals, and of having in the person of Iuliu Maniu a leader whose integrity is beyond suspicion. It will be found, however, that this party is actually dominated by urban intellectuals, no less nationalistic and opportunistic than the economically more powerful Liberal clique. Once in power, the Peasant party would no doubt attempt to give the rural smallholders greater consideration than the Liberals, but the success of their reforms would depend less on their good intentions than on the progress of reconstruction as well as on conditions in the world market.

Inasmuch as the two-party system has never prevailed in Rumania, one may expect new groups to emerge. Some of these may consist merely of the personal following of certain prominent generals or politicians, without a distinctive platform, but others may arise as serious movements out of the midst of the underprivileged classes in town and country. Such industrial groups as the textile, oil-field, and metallurgical workers, and laborers in the Black Sea and Danube ports may possibly form a socialist, though not necessarily a revolu-

tionary, party. Discontent with the older parties may spread also among the submerged peasants, but again, this need not be expected to assume a radical form.

Should AMG find it expedient to appoint a provisional council to serve in a consultative capacity, it would then seem advisable not to limit its membership to representatives of the Liberal and Peasant parties. In addition to men like Maniu and Bratianu, AMG will presumably need consultants to represent the poorer peasant class and the wage workers.

D. Social Problems

1. Minority Nationalities.

Within the boundaries of the territory to be administered by AMG, Transylvania included, the minority nationalities will probably constitute about a seventh of the total population, as compared with over a fourth in pre-war Rumania. However, the decline of this ratio, due primarily to the loss of provinces with strong Slavic elements, does not mean that the problem of the minorities will have been solved. On the contrary, the events of the war period have exacerbated the relations between the Rumanian majority and the Hungarian and German minorities, while undermining the basis of the lives of the Jewish group.

a. Germans. Firmly rooted in Transylvania and the Banat, where Saxons and Swabians, respectively, have been living for several centuries, the German minority has always looked down upon the less developed Rumanian nation. At the same time, they did not identify

themselves with the Reichsdeutsche of the German state prior to 1933. The Rumanian fascist groups had no appeal for the German minority, and it is impossible to determine how far National Socialism would have progressed among them, if coercion had not been applied. Once the country became subject to Hitler's control, however, the Germans of Rumania were on the one hand "coordinated" and, on the other, accorded privileges never enjoyed hitherto by any of the minorities. As racial Germans, this group became subject to a hierarchy of Fuehrers and lesser officials appointed from their midst. Their churches (both Catholic and Protestant) and schools were converted into Nazi-controlled institutions, and their recruits organized as separate units of the Rumanian army on the Eastern front. As part of the German control of Rumania's war industries, enterprises owned by racial Germans, particularly textile mills, regularly received preference.

Rumanian resentment against the new status of the German minority is likely to find violent expression at the first opportunity. This hostility may be tempered by a joint defense of the country against the putative Soviet invasion, but will undoubtedly have cropped up again by the time AMG is established. By then, the chief culprits among the German minority will have fled, but no general exodus is anticipated. It will probably be the task of AMG to provide for the protection of the scattered German villages as well as to restore a modus vivendi in the numerous mixed communities. The selection of competent German representatives who are not guilty of

collaboration with the Third Reich, will undoubtedly prove more difficult than in the case of the other nationalities in the country.

b. Hungarians. The degree of hostility between Hungarians and Rumanians will depend largely on whether war breaks out between the two states. Should there be any interval between the withdrawal of German forces from Transylvania and the arrival of United Nations troops, the Hungarians will undoubtedly cross the present dividing line in order to strengthen their claim to southern Transylvania and will naturally be opposed by all able-bodied Rumanians. AMG officers assuming responsibility for Transylvania will, therefore, be confronted with two nationalistic camps which will have to be handled impartially and firmly.

In addition to the million or more Hungarians in Transylvania, there are over 100,000 in the Banat province, who will also be affected by the situation described above. In this area there will also be the problem of distinguishing between Germans and Hungarians, since many persons of mixed parentage have found it expedient to register as Germans since 1940.

c. Jews. The abrogation of the decrees issued since the inception of the open dictatorship, as recommended above, will restore the legal equality of the Jews, of whom there remain about 100,000 in Old Rumania and some 150,000 in Transylvania. It will, however, take some years to rectify the economic and moral damage done to this group

since 1938. Under a democratic administration the reconstruction program will serve to provide employment for the thousands of Jews who have been ousted from their normal sources of livelihood, but this will still leave many legitimate claims unsettled. In view of the systematic expropriation of the various types of property owned by Jews, both privately and as members of religious or cultural societies, some policy will have to be devised for the return of these possessions to their rightful owners without injury to non-Jews who may have acquired them in good faith.

During the late '30s the reactionary politicians agitated for the physical elimination of a large fraction, if not all, of Rumanian Jewry by mass emigration, a demand which has in part been carried out by the Antonescu regime. Echoes of this antisemitic campaign may continue to be heard from some Rumanian sources during the period of AMG, but Rumanian reconstruction would hardly be furthered by arranging for the departure of a group which is in a position to render a variety of sorely needed services. It is significant that as late as the summer of 1943 the undersecretary for labor felt constrained to explain that the dismissal of Jewish industrial workers had proceeded less rapidly than the regime wished because of the lack of replacements. The importance in Rumania of Jewish physicians and dentists and of Jewish tradesmen is an equally relevant consideration.

2. Refugees.

The several territorial cessions and evacuations since the summer of 1940 have created a refugee problem with which the Antonescu regime has tried to cope, though without great success. By the end of 1943 the government had registered over 200,000 refugees from northern (Hungarian) Transylvania alone, comprising the families of government officials, students, and other while-collar groups, the bulk of whom gravitated to Bucharest. Many of these persons are undoubtedly still dependent on relief agencies, and are awaiting the day when they may regain their former status. The responsibility for the care of the refugees from Transylvania has been vested in a bureau set up for the purpose under the Ministry of Foreign Affairs. The process of evacuating Rumanians from Bessarabia and Bucovina, recently initiated, is bound to swell the ranks of the refugees considerably, although this group will probably not be permitted to flood Bucharest. AMG will probably require a special staff to rehabilitate these refugees.

3. Disabled Veterans, War Widows and Orphans.

It is estimated that the Rumanians have suffered at least a quarter of a million casualties during the war. For the fiscal year beginning April 1, 1943, the government appropriated 7.1 billion lei (theoretically equivalent to 35 million dollars) for the agency known as I.O.V.R., which is responsible for the care of disabled veterans, war widows and orphans, but there are no other data to

indicate the scope of this problem. In any case, if the country undergoes a German and Russian occupation, and is the scene of heavy fighting, this problem will presumably be greatly aggravated.

4. Public Health.

Rumania has not been visited by any epidemics thus far during the war, but conditions may arise which will tax the normally very inadequate facilities. AMG cannot hope to make any great progress toward remedying such long-standing problems as the high rate of infant mortality, the menace of social diseases and malaria, alcoholism, improper hygienic arrangements, and unfavorable diet. One of the greatest obstacles is the lack of a trained and conscientious Rumanian personnel to enforce government regulations and attend to those who apply to public agencies for medical aid. For the most part, however, AMG will no doubt be guided by plans prepared by specialists for countries in which similar conditions prevail.

E. Economic Problems

1. General Situation

Self-sufficient in foodstuffs as well as in petroleum products, Greater Rumania commanded extensive forests (state-owned in part), and mines located in Bucovina and Transylvania. Whatever disposition is made of the latter province, the territory administered by AMG will comprise the oil-fields and the principal industrial centers (with the possible exception of Brashov in Transylvania), but not

the forests of Bucovina. Old Rumania will presumably continue to have access to the lumber and mineral supplies of Transylvania.

The extensive state-owned properties, including the railroads, the monopolies (tobacco, matches, alcohol, salt, lottery), the forests and fisheries, will require the attention of AMG's legal and fiscal experts. Under international law the income from such enterprises is at the disposition of the occupation authority, and it will probably help materially toward meeting the obligations of the Rumanian state in the form of bonds maturing during the period in question.

While the area as a whole will not present the problems of a deficit region, it may require considerable effort to make it worthwhile for the peasants to sell their products, and to provide for industries which are dependent on imported materials and equipment. The anticipated devaluation of Rumanian currency, now pegged to the German mark at an artificial ratio, is bound to raise the cost of consumers' goods to a prohibitive level in relation to the market value of farm products and the wages paid to urban workers.

2. Industries

a. Re-establishment of ownership. The expropriation of the holdings of foreign investors, as well as of Rumanian citizens living abroad and of those subject to the anti-Jewish laws, has affected not only the oil industry but metals and textiles as well. The most important American interests consist of the extensive Romano Americana

oil enterprise, an affiliate of Standard Oil, but AMG will undoubtedly need to take care of the more valuable British and French interests as well. The sequestration of German holdings in the various industries is bound to be among the first steps in the return to the status quo ante. AMG should, however, be prepared to meet certain difficulties in the administration of the property seized arising from conflicting claims, the wartime expansion of Rumanian state investments, and the watering of stock. It is questionable whether AMG will command the personnel needed for a review of the conflicting claims, so that it may be deemed best to keep this property subject to a long "freeze" period under sequestration.

The administration of this property will be further complicated by claims for immediate assistance in the reparation of war damage, either by financial aid inside the country or by priority in securing aid from outside, as well by claims for return to operation by the former owners. Any program adopted may produce serious detrimental effects if it carries the slightest implication of discriminatory practice in favor either of foreign investments per se or of any group of foreign investors.

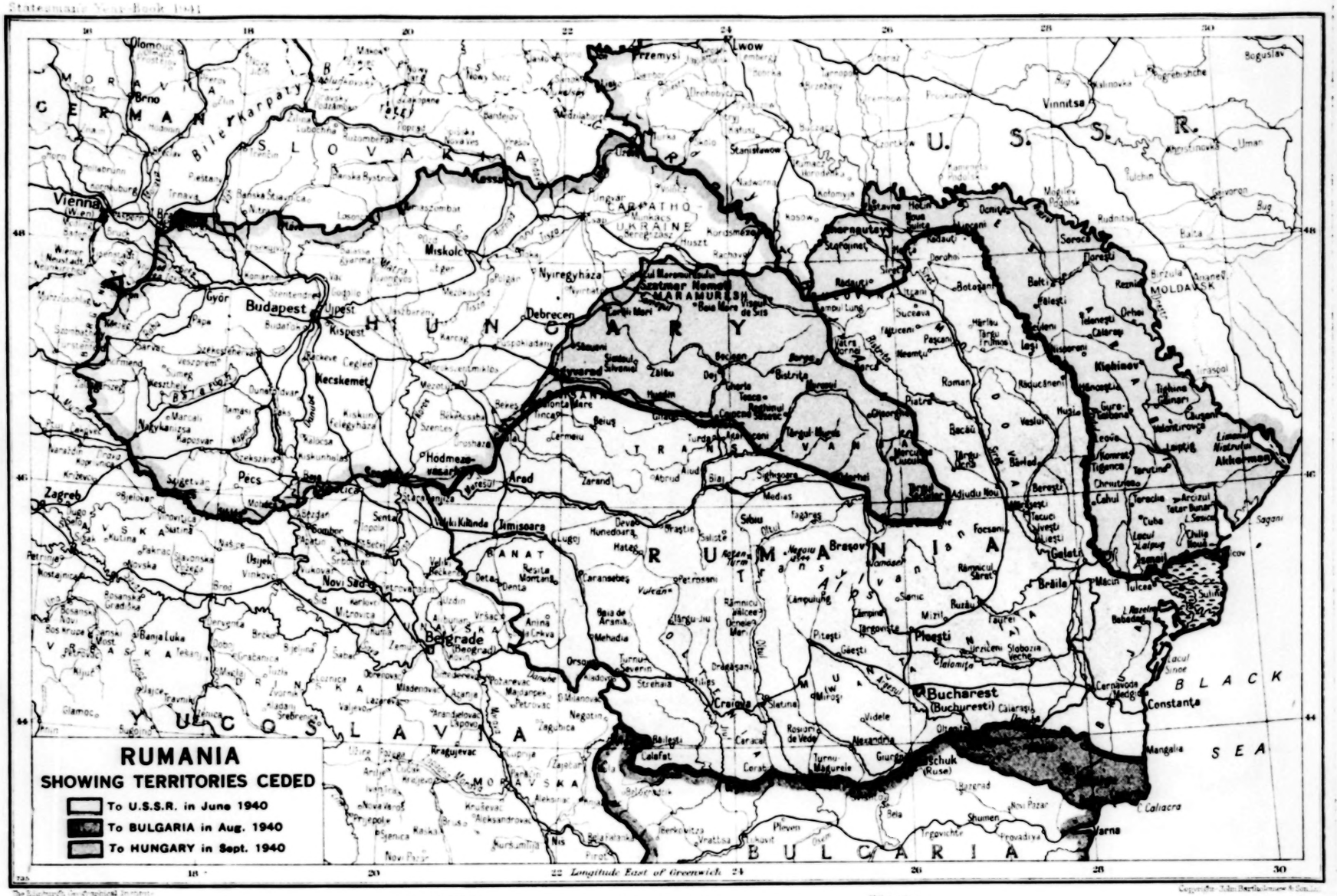
b. Oil Refining. In evacuating Old Rumania, it may be assumed that the Germans will make every effort to dismantle or demolish the oil refineries, as well as to render the wells useless for a period. The resumption of crude oil production will confront AMG with a choice between reconstructing the refineries and shipping all or part of the

oil to the most convenient plants outside of Rumania. The consideration of this question will have to take into account the dependence of the domestic chemical and metallurgical works on orders from the oil refineries.

c. General Production Control. The need for regulating the food processing industry, as well as those industries that are dependent on imported materials or coal, particularly metals and textiles, will undoubtedly persist. Probably no great harm will be done by abolishing the several boards for the respective industries set up by the Antonescu regime, despite the necessity for production control under AMG. The change from a war-time to a peace-time economy and the removal of German pressure will make a reorganization of production control inescapable.

3. Agriculture

The low yield of the land cultivated by the peasants can be improved chiefly by increasing the use of fertilizer and machinery. The individualism of these smallholders has always been a barrier against the effectiveness of the government's programs. The decree providing for the organization of obshtii or farmer-cooperatives (24 June 1942) launched an interesting experiment designed to counteract the disadvantages of the small holding. Any group of 15 or more peasants is encouraged to form an incorporated obshte, which operates under a charter granted by the district Chamber of Agriculture. While each


RUMANIA
SHOWING TERRITORIES CEDED
To U.S.S.R. in June 1940
To BULGARIA in Aug. 1940
To HUNGARY in Sept. 1940
GERMANY
SLOVAKIA
HUNGARY
U. S. S. R.
YUGOSLAVIA
BULGARIA
BLACK SEA
Vienna
Budapest
Debrecen
Miskolc
Nyiregyháza
Szatmar Nemeti
Hodmezovasarhely
Kecskemet
Pecs
Zagreb
Arad
Timisoara
Belgrade
Novi Sad
Craiova
Bucharest (Bucharesti)
Ploesti
Constanta
Mangalia
Cernavoda
Braila
Galati
Focsani
Brasov
Iasi
Kishinev
Lwow
Przemysl
Stanislawow
Vinnitsa
Varna
Shumen
Ruschuk (Ruse)
Turnu Severin
Caransebes
Petrosani
Sibiu
Medias
Odorheiu
Targu Mures
Bacau
Roman
Piatra
Suceava
Botosani
Radauti
Sighetu
Baia Mare
Satu Mare
Oradea
Szeged
Kiskunhalas
Szekesfehervar
Gyor
Sopron
Maribor
Ljubljana
Sarajevo
Banja Luka
Osijek
Subotica
Kragujevac
Nis
Skoplje
Sofia
Plevna
Tirgovishte
Razgrad
Silistra
Balchik
Kavarna
Cape Kaliacra
Akkerman
Bugulslav
Longitude East of Greenwich
English Miles
Scale 1:5,000,000
Kilometres